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TO RUEHC/SECSTATE WASHDC PRIORITY 0863
INFO RUEHAK/AMEMBASSY ANKARA 0406
RUEHBJ/AMEMBASSY BEIJING 9318
RUEHRL/AMEMBASSY BERLIN 1056
RUEHBR/AMEMBASSY BRASILIA 0475
RUEHSL/AMEMBASSY BRATISLAVA 0066
RUEHBS/AMEMBASSY BRUSSELS 3566
RUEHBM/AMEMBASSY BUCHAREST 0299
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RUEHKL/AMEMBASSY KUALA LUMPUR 2542
RUEHLO/AMEMBASSY LONDON 1968
RUEHMD/AMEMBASSY MADRID 1129
RUEHME/AMEMBASSY MEXICO 0306
RUEHMO/AMEMBASSY MOSCOW 1517
RUEHNE/AMEMBASSY NEW DELHI 1139
RUEHOT/AMEMBASSY OTTAWA 2270
RUEHFR/AMEMBASSY PARIS 1503
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RUEHUL/AMEMBASSY SEOUL 9664
RUEHSM/AMEMBASSY STOCKHOLM 1086
RUEHKO/AMEMBASSY TOKYO 3364
RUEHWR/AMEMBASSY WARSAW 0853
RUEHDN/AMCONSUL SYDNEY 4135
RUEHBN/AMCONSUL MELBOURNE 5927
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SIPDIS

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SUBJECT: AUTOMOBILE SUBSIDY PROGRAMS - AUSTRALIA

REF: A. STATE 4753

1B. 2008 CANBERRA 1134

11. On November 10, 2008, the GOA announced its "New Car Plan for a Greener Future". Totalling A\$7.7 billion (US\$5.1 at current exchange rates), it focuses on encouraging the manufacture of low-emissions vehicles (Toyota has already received money under this provision), a fund to encourage consolidation of component manufacturing, and an emphasis on investment in research and development. See 2008 Canberra 1134 for further details.

12. In making the announcement, Prime Minister Rudd, despite the pleas of domestic manufacturers General Motors/Holden and Ford, stuck to the scheduled reduction in auto tariffs from 10% to 5% in 2010; Rudd said this would result "in the third-lowest tariff regime among economies with a well-developed automotive industry."

13. There are no provisions in the plan linking assistance to export or local content requirements.

CLUNE